



CITY OF SAN ANTONIO

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City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of the Planning and Community Development Department

City Management and the Planning and Community Development Department have reviewed the audit report and have developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation						
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date	
A 1.	Address Ambiguity Concerning Beneficiaries of Tax Incentives within the Unified Development Code. The Planning Department should initiate a revision to the Unified Development Code to clearly define the City's Historic Preservation Tax Incentive Program and eligible participants.	6				

Recommendation						
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<p><u>Action plan:</u></p> <p>The code does not state that the certified applicant must be the same owner at the time of verification and the only applicant eligible for the tax exemption. The department recommends an amendment to the Unified Development Code to clearly state that only the owner may be a certified applicant that makes an application for the historic structure renovation or rehabilitation, and that must be the same applicant and owner at the completion of the renovation or rehabilitation to qualify as the person who receives the exemption during the verification process.</p>						
A	<p>2. Cancel Tax Incentives Granted for 1331 South Flores Street.</p> <p>If City Council amends the Unified Development Code to clarify the eligible participants, then the Planning Department should initiate the cancellation of Historic Preservation tax incentives for the 39 condominium properties at 1331 South Flores Street for tax year 2007.</p>		6			

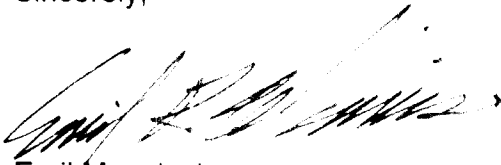
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<p><u>Action plan:</u></p> <p>The department recommends City Council amend the code to clarify eligible participants. The department recommends tax exemptions approved for previous applicants in compliance with the existing code not be revoked. As it relates to the condominium properties at 1331 South Flores Street, the exemptions did not vest until after the initial sale of the condominium unit and a transfer of the tax exemption has not occurred. Accordingly, the tax exemption is valid until such time as the owner at the time of certification sells or transfers the property.</p>					
A	<p>3. Improve Oversight of Historic Preservation Incentive Program</p> <p>Planning Department Management should improve the written procedures for administering the Program by including tasks for monitoring the work performed by the Bexar Appraisal District. Additionally, this procedure should delineate oversight responsibilities, include a checklist to help ensure case files are complete, and provide for reconciliation of Bexar Appraisal District tax exemption calculations with the City's approved record of properties.</p>	6			

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<p><u>Action plan:</u></p> <p>At the end of the calendar year, the department will send a certified letter to Bexar Appraisal District requesting current ownership for properties that receive tax exemptions under this program. The Department will verify ownership to determine if the property was sold or transferred to a new owner that was not granted the tax exemption during the verification process.</p> <p>Upon confirmation of this list, the department will notify Bexar Appraisal District of cancellations of tax exemptions due to expiration of the tax exemption period or change of ownership, if not cancelled by Bexar Appraisal District.</p> <p>The Historic Preservation Officer will be responsible for oversight of this program. Staff will ensure that case files are complete and reconciled.</p>					

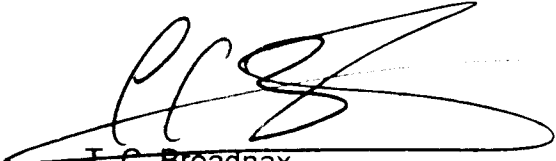
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B	<p>The Planning Department Management should improve procurement internal controls by segregating responsibility for data entry, approval, and receipting of goods to individual SAP R/3 enterprise computer system users. Additionally, monthly review of managerial cost statements, such as the Department Fund Management Statement, should occur to ensure errors or fraudulent purchases are detected in a timely manner.</p> <p><u>Action plan:</u></p> <p>Due to the small size of the department, the Department has five staff assigned with all procurement responsibilities, an Administrative Assistant I assigned with requisitioning and receiving goods; a Department Systems Specialist assigned with requisitioning computer hardware and software exclusively; a Sr. Administrative Assistant assigned with creating purchase orders and approving non-purchase orders; the Department Director with Level 2 approval for purchase requisitions over \$25,000; and the Special Projects Manager assigned with approving Purchase Requisitions over and under \$25,000, Purchase Orders and monitoring of all activities.</p> <p>Due to the retirement of the Sr. Administrative Assistant in September 2006, the department assigned data entry for purchase orders and approvals for non-purchase orders to the Administrative Assistant I, due to her level of knowledge and understanding of the SAP process, until the Sr. Administrative Assistant was filled and trained in SAP. Following the completion of the training, the roles were reevaluated and assigned accordingly and submitted to the Purchasing Department as part of the citywide role assessment in July 2007 in order to segregate the responsibilities between data entry, approval and receipting of goods. The roles were reassigned on October 3, 2007.</p> <p>Monthly reviews of all personnel and contractual expenditures, procurement of supplies, and revenues are conducted by the Special Projects Manager and reviewed with the Department Director.</p>	8			

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

A handwritten signature in black ink, appearing to read "Emil Moncivais", written in a cursive style.

Emil Moncivais
Director, Planning and Community Development

A handwritten signature in black ink, appearing to read "T. C. Broadnax", written in a cursive style.

T. C. Broadnax
Assistant City Manager